

MELVILLE
SHOE
CORPORATION

ANNUAL REPORT



1941

*MELVILLE
SHOE
CORPORATION*

ANNUAL REPORT 1941



J. F. McELWAIN COMPANY
JOHN WARD MEN'S SHOES
THOM McAN
FRANK TOD

EXECUTIVE OFFICES: 25 WEST 43RD STREET, NEW YORK

DIRECTORS

J. FRANKLIN McELWAIN, *Chairman*

FREDERIC ATTWOOD

FREDERICK S. LITTLE

WILLIAM J. COBB

WARD MELVILLE

ROBERT C. ERB

JOSEPH L. MERRILL

JOEL E. FISHER

FRANCIS P. MURPHY

SEWARD M. PATERSON

OFFICERS

WARD MELVILLE, *President and Treasurer*

WILLIAM J. COBB, *Vice-President*

JOEL E. FISHER, *Secretary*

JOSEPH L. MERRILL, *Vice-President*

H. ALBERT BRODIN, *Ass't. Treasurer*

JOHN B. FITCH, *Ass't. Vice-President*

ARTHUR PAAR, *Ass't. Secretary*

COUNSEL

DAVIS POLK WARDWELL GARDINER & REED

AUDITORS

PEAT, MARWICK, MITCHELL AND CO.

TRANSFER AGENT

IRVING TRUST COMPANY

1 Wall Street, New York

REGISTRAR

CITY BANK FARMERS TRUST CO.

22 William Street, New York

TO THE STOCKHOLDERS OF MELVILLE SHOE CORPORATION:

THE TWENTY-EIGHTH annual report of Melville Shoe Corporation and subsidiaries, for the year ending December 31, 1941, is submitted herewith. This report includes the J. F. McElwain Company, Melville Realty Co. Inc., and the R-W Realty Co. Inc.

NET INCOME

The consolidated net income for the year amounted to \$2,924,275, as against \$3,210,961 for the year 1940. This represents, after preferred dividends, earnings of \$2.64 per share, as compared with \$2.96 per share in 1940. Income for 1941, before provision for Federal income and excess profits taxes, was the largest of any year in the history of the business, and exceeded income for 1940, before taxes, by \$414,130.

DIVIDENDS

During the year, in addition to regular dividends on the outstanding 5% cumulative convertible preferred stock of the company, there was paid \$2.25 per share on the common stock, as in 1940.

SALES

Dollar sales at retail for the year amounted to \$46,653,910, as compared with \$40,260,777 in 1940, an increase of 15.88%. Unit sales at retail for the year were 12,220,781 pairs of shoes, as against 10,933,085 pairs in 1940, a gain of 11.78%; and 15,464,997 pairs of hosiery as compared with 14,156,889 pairs in 1940, a gain of 9.24%. In both dollars and units the volume of business in 1941 was the largest in the history of the company.

Sales of the J. F. McElwain Company for 1941, including inter-company sales, were \$28,588,553, compared with \$22,446,029 in 1940, an increase of 27.36%.

CURRENT POSITION

At the year end, the total current assets were \$16,377,160 of which \$7,497,291 was cash, as against current liabilities of \$4,680,254, a ratio of 3.50 to one. The company made no bank loans during the year and has no funded indebtedness.

TAXES

Taxes paid or accrued during the year amounted to \$2,786,000 which is equivalent to \$2.98 per share of common stock outstanding compared with \$2,006,593 in 1940 or \$2.18 per share, and with \$1,612,206 in 1939 or \$1.75 per share. Under the present law, the company can earn, without being subject to the excess profits taxes, approximately \$2.14 per share, after Federal income taxes.

INVENTORY

At the end of the year, inventory amounted to \$6,796,418 as compared with \$6,721,273 at December 31, 1940. In 1941, the company adopted the elective method of inventory valuation ("last-in first-out") provided for in the Revenue Act of 1939. The adoption of this method serves to minimize the distortion of annual earnings due to appreciation or depreciation in inventory values during a period of extensive changes in commodity price levels. A major portion of the 1941 inventory was computed at cost based on the last-in first-out method, less reserve for markdowns; with a portion (about \$975,000) computed at the lower of cost or market, less reserve for markdowns. The 1940 inventory was carried at the lower of cost or market, less reserve for markdowns. The effect of the change in method was to reduce the amount of inventories by approximately \$800,000 and to reduce the year's earnings after

Federal taxes, by approximately \$220,000 or about twenty-four cents per share.

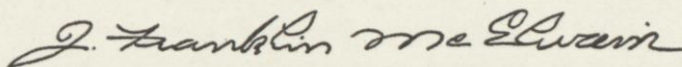
WAGES

The company paid out in wages and compensation \$11,982,680, an increase of \$2,134,800 over 1940.

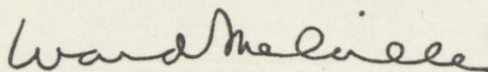
WAR

The effects of the declaration of war on the company's operations, so far as they have been observed, are outlined on pages 13 and 14. It is obviously impossible at this time to foresee what tax laws may be enacted, how long the war may last, and the full extent of governmental shoe requirements. The company recognizes that the nation's military needs come first. It also recognizes and will endeavor to discharge its responsibilities to its stockholders, employees and customers. Because the company's organization has demonstrated its strength and flexibility in meeting a variety of day-to-day situations, we hope and expect that we shall be able to solve whatever problems may arise.

Respectfully submitted

A handwritten signature in cursive script, reading "J. Franklin McElvain".

CHAIRMAN OF THE BOARD

A handwritten signature in cursive script, reading "Ward McElvain".

PRESIDENT

March 6, 1942

Melville Shoe Corporation and Subsidiary Companies

CONSOLIDATED BALANCE SHEET—DECEMBER 31, 1941-1940

ASSETS		1941	1940
CURRENT ASSETS			
Cash in banks and on hand	\$	7,497,291	\$ 7,369,918
U. S. savings bonds, at cost		100,000	—
U. S. Treasury tax notes, Series B, 1943		1,000,000	—
Accounts receivable (trade, \$465,215; misc., \$50,037) . .		515,252	461,955
Less reserve for doubtful accounts		15,442	20,307
		<u>499,810</u>	<u>441,648</u>
Advance payments on merchandise		483,641	311,174
Inventories, at cost based on "last-in first-out" method less reserve for markdowns (see Note 1):			
Finished goods		4,514,111	4,898,399
Work in process, raw materials, and supplies		2,282,307	1,822,874
		<u>6,796,418</u>	<u>6,721,273</u>
Total Current Assets		<u>\$16,377,160</u>	<u>\$14,844,013</u>
INVESTMENTS			
Stock of other company		7,730	9,923
Cash held by bank as security for store managers' deposits		150,000	110,811
Cash surrender value of \$1,004,000 of life insurance policies on the life of the President		156,188	135,014
	\$	<u>313,918</u>	<u>\$ 255,748</u>
FIXED ASSETS (at estimated replacement values at December 31, 1931, as determined by the Corporation, plus subsequent additions at cost):			
Land and buildings		1,439,645	1,412,131
Building on leased land, New York (see Note 2)		408,521	408,521
Machinery and equipment (see Note 3)		862,622	814,775
Store and office fixtures, improvements to leased store properties, and miscellaneous		5,473,068	5,109,493
		<u>8,183,856</u>	<u>7,744,920</u>
Less: Reserves for depreciation and amortization		4,728,161	4,406,738
	\$	<u>3,455,695</u>	<u>\$ 3,338,182</u>
PREPAID EXPENSES AND DEFERRED CHARGES			
Prepaid insurance, taxes, rents and supplies		323,071	344,082
Bonuses, commissions, and legal expenses paid to pro- cure leases, amount unamortized		31,356	42,552
	\$	<u>354,427</u>	<u>\$ 386,634</u>
Cash in preferred stock retirement fund (see Note 4)		248,362	—
Total		<u>\$20,749,562</u>	<u>\$18,824,577</u>

Melville Shoe Corporation and Subsidiary Companies

CONSOLIDATED BALANCE SHEET—DECEMBER 31, 1941-1940

LIABILITIES		1941	1940
CURRENT LIABILITIES			
Accounts payable.....	\$ 1,995,540	\$ 1,391,192	
Accrued taxes, rents, royalties and sundry expenses....	776,714	588,631	
Provision for Federal income and excess profits taxes....	1,908,000	1,172,863	
Total Current Liabilities.....	\$ 4,680,254	\$ 3,152,686	
Store managers' security deposits, and deposits on leases..	151,188	157,079	
RESERVES			
Self-insurance.....	222,456	206,087	
Pensions.....	50,000	50,000	
Store front replacements.....	68,777	61,869	
	\$ 341,233	\$ 317,956	
CAPITAL STOCK (see Note 4)			
PREFERRED—5% Cumulative Convertible (redeemable at \$105 per share), par value \$100 each:			
Authorized—100,000 shares			
Issued—98,260 shares.....	9,826,000	9,826,000	
Less: 2,336 shares in 1941 and 233 shares in 1940 converted into common on the basis of 3½ shares of common for 1 share of preferred.....	233,600	23,300	
	9,592,400	9,802,700	
Less: Held in Treasury 1 share in 1941 and 575 shares in 1940.....	100	57,500	
Held in Sinking Fund for Retirement, 3,540 shares in 1941 and 2,948 shares in 1940.....	354,000	294,800	
	354,100	352,300	
	9,238,300	9,450,400	
COMMON—par value \$1.00 each:			
Authorized (including 277,149 shares reserved in 1941 and 330,764 in 1940 for issuance in exchange for preferred stock)—1,300,000 shares			
Issued.....	927,072	919,711	
	\$10,165,372	\$10,370,111	
PAID-IN SURPLUS.....	225,424	22,485	
EARNED SURPLUS.....	5,186,091	4,804,260	
Total.....	\$20,749,562	\$18,824,577	

Melville Shoe Corporation and Subsidiary Companies

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR YEARS ENDED DECEMBER 31, 1941 AND 1940

	1941	1940
SALES		
Store and factory sales	\$75,242,463	\$62,706,806
Store sales \$46,653,910		
Factory sales 28,588,553		
Less inter-company sales	23,882,831	20,110,557
Net sales	51,359,632	42,596,249
Cost of sales	35,453,504	28,264,795
	<u>\$15,906,128</u>	<u>\$14,331,454</u>
DEDUCT:		
Store operating, selling, general and administrative expenses	10,565,664	9,495,097
Depreciation	562,903	541,536
Interest paid on store managers' deposits, etc.	7,589	8,393
Additional provision for pensions	12,539	15,344
Payment into Trust under Retirement Plan of Melville Shoe Corporation	62,000	—
Miscellaneous charges	65,312	48,720
	<u>11,276,007</u>	<u>10,109,090</u>
	\$ 4,630,121	\$ 4,222,364
ADD:		
Net profit on real estate operations	51,160	37,242
Miscellaneous income	72,067	79,612
	<u>123,227</u>	<u>116,854</u>
Net income before Federal income and excess profits taxes	\$ 4,753,348	\$ 4,339,218
Provision for Federal income and excess profits taxes	1,829,073	1,128,257
(Including \$543,500 for excess profits taxes in 1941 and \$68,400 in 1940)		
Net Income	<u><u>\$ 2,924,275</u></u>	<u><u>\$ 3,210,961</u></u>

Melville Shoe Corporation and Subsidiary Companies

CONSOLIDATED STATEMENTS OF SURPLUS FOR THE YEAR ENDED DECEMBER 31, 1941

CONSOLIDATED PAID-IN SURPLUS

Surplus arising from conversion of Preferred 5% cumulative convertible stock into Common stock as of December 31, 1940	\$ 22,485
Addition during 1941	202,939
Balance as of December 31, 1941	\$ 225,424

CONSOLIDATED EARNED SURPLUS

Consolidated earned surplus as of December 31, 1940	\$4,804,260
Net income for the year ended December 31, 1941	2,924,275
	\$7,728,535
Deduct:	
Dividends paid:	
Preferred stock—5%	\$ 472,324
Common stock—\$2.25 per share	2,070,030
	2,542,354
Premium paid on purchase of preferred 5% cumulative convertible stock	90
	2,542,444
Consolidated earned surplus as of December 31, 1941	\$5,186,091

Melville Shoe Corporation and Subsidiary Companies

NOTES TO CONSOLIDATED BALANCE SHEET, PROFIT AND LOSS AND SURPLUS STATEMENTS

- (1) Inventories have been determined on the basis of physical inventories taken principally during the latter part of the year and adjusted to the end of the year. Prior to 1941 the Companies valued inventories at the lower of cost or market, cost being computed principally on the basis of current averages by classes, with some raw materials on the basis of specific invoice cost. In 1941, for cost valuation of inventories, and for computing cost of goods sold, the Companies adopted the elective method ("last-in, first-out") provided for in the Revenue Act of 1939 as to all inventories except approximately \$975,000 stated at the lower of cost or market. The effect of this change has been to decrease the amount of the inventories by approximately \$800,000, to decrease the income before taxes by the same amount and to decrease the net income after taxes by approximately \$220,000. Market referred to is replacement market.
- (2) The building on leased land is operated under the terms of a lease of which the current period expires on January 1, 1946 with the option on the part of the Corporation, subject to expenditures during or before 1946 of an additional amount estimated at \$700,000, to extend it for two further periods of twenty-one years each. Provision for the amortization of the building is being made over the current period of the lease.
- (3) Under the customary terms of lease agreements covering machinery leased, the J. F. McElwain Company, a subsidiary, is liable to the lessor for deferred license fees of \$53,031.60 (net) as of December 31, 1941 in the event that such machinery is returned to the lessor; in addition, the subsidiary is obligated to pay all repair charges and return freight costs when and as leased machinery is returned to the lessor.
- (4) On August 2 in the year 1940 and in each year thereafter, so long as any preferred stock remains outstanding in the hands of others than the Corporation, the Corporation shall make available for the purchase and retirement of preferred stock a sum in cash (or in reacquired preferred stock taken at par) equal to the par value of 3% of the maximum aggregate amount of preferred stock which shall have been issued prior to the first day of January in the then current year plus an amount equal to dividends thereon from August 1 to August 31, plus a premium of 5% of such par value. The amount to be made available August 2, 1942 is \$310,747.25.

ACCOUNTANTS' REPORT

*To the Board of Directors,
Melville Shoe Corporation,
New York, N. Y.*

We have examined the Consolidated Balance Sheet of the Melville Shoe Corporation and Subsidiary Companies as of December 31, 1941, and the statements of Consolidated Profit and Loss and Surplus for the year then ended, have reviewed the system of internal control and the accounting procedures of the Companies and, without making a detailed audit of the transactions, have examined or tested accounting records of the Companies and other supporting evidence, by methods and to the extent we deemed appropriate. Our examination was made in accordance with generally accepted auditing standards applicable in the circumstances and included all procedures which we considered necessary.

In 1941 the Companies adopted the elective method of inventory pricing ("last-in first-out") provided for in the Revenue Act of 1939 as to all inventories except approximately \$975,000 stated at the lower of cost or market. The effect of this change has been to decrease the amount of the inventories by approximately \$800,000, to decrease the income before taxes by the same amount and to decrease the net income after taxes by approximately \$220,000.

In our opinion, the accompanying Consolidated Balance Sheet and the related statements of Consolidated Profit and Loss and Surplus present fairly the consolidated position of the Melville Shoe Corporation and Subsidiary Companies at December 31, 1941 and the results of the operations for the year, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year except as to the change indicated above.

PEAT, MARWICK, MITCHELL & Co.

Worcester, Mass.
February 27, 1942

Stores, Sales and Earnings—1930-1941

Stores Year-end	Pairs Sold Retail	Pairs per Store	Total Sales at Retail	Factory Sales	Combined Sales	Wages and Compen- sation	Combined Income Before Federal I & E P Taxes†	Federal Income and Excess Profits Taxes*	Combined Earnings after Taxes	Earnings per common share**
1930 480	6,515,190	13,173	\$28,654,300	\$12,620,525	\$41,274,825	\$6,125,454	\$2,305,797	\$ 244,698	\$2,061,099	1.71
1931 476	6,470,720	13,565	26,286,518	11,600,146	37,886,664	5,851,530	1,884,777	228,117	1,656,660	1.28
1932 499	5,731,535	11,941	20,594,311	8,497,864	29,092,175	4,669,608	1,306,012	120,674	1,185,338	.77
1933 535	6,369,254	12,489	21,112,783	10,631,665	31,744,448	5,367,621	2,345,562	276,503	2,069,059	1.72
1934 588	7,686,068	13,268	27,215,927	14,398,684	41,614,611	6,834,385	3,072,171	437,906	2,634,265	2.33
1935 609	9,085,155	15,373	30,355,524	16,947,267	47,302,791	7,765,484	3,477,078	475,094	3,001,984	2.73
1936 651	9,907,356	15,651	35,300,758	19,578,204	54,878,962	8,630,006	4,282,927	748,030	3,534,897	3.30
1937 690	10,314,791	15,395	38,155,438	22,199,736	60,355,174	9,976,537	3,344,873	543,178	2,801,695	2.51
1938 677	10,146,182	14,747	36,042,285	19,053,609	55,095,894	9,390,127	2,808,403	512,869	2,295,534	1.97
1939 663	10,713,767	16,038	38,326,853	21,721,707	60,048,560	9,913,010	3,873,292	732,131	3,141,161	2.88
1940 666	10,933,085	16,465	40,260,777	22,446,029	62,706,806	9,847,880	4,339,218	1,128,257	3,210,961	2.96
1941 659	12,220,781	18,544	46,653,910	28,588,553	75,242,463	11,982,680	4,753,348	1,829,073	2,924,275	2.64

†Actual union of Melville Shoe Corporation and J. F. McElwain Company did not occur until December 22, 1939.

**Not total taxes. Other taxes were: In 1939, \$859,949; in 1940, \$878,336; in 1941, \$956,927.

**On basis of the capitalization of Melville Shoe Corporation as of December 31, 1941, which is after giving effect to changes in the number of common shares outstanding.

Effect of War

ARMY SHOES

IN 1941, the company supplied the U. S. Government with 565,391 pairs of shoes, valued at \$1,787,953. This resulted in a considerable shortage of shoes in the company's stores in December and the early months of 1942. Consumer demand increased and factory production could not be increased accordingly. The company's factory production has always been coordinated closely with retail demand, as evidenced by the fact that in practically every year for the past ten years the factories have operated at maximum capacity fifty weeks per year. The company's price on army shoes, which was the lowest of all bidders on each occasion during 1941 that it submitted a bid, was figured to include a moderate profit. In that part of 1941 during which the company was manufacturing army shoes, it was necessary to operate overtime, with additional labor expense. Since January 2, 1942, the company has been awarded contracts for 918,024 pairs, valued at \$3,213,154, for delivery prior to July 1, 1942.

The allocation of a considerable portion of the company's capacity to war business may require some curtailment of production for civilian use, resulting in a decrease in the volume of pairs sold at retail. Eventually, the number of men called into the armed services would provide another possible cause of a decrease in retail pair sales. While it is estimated that only about 7% of the company's present customers for men's shoes will enter the services during the coming year, the final percentage will be much higher under the present plans for expansion of the Army and Navy.

GOVERNMENTAL PRICE CEILINGS

During the first six months of 1941, there was a steady advance in the prices of hides and skins. Because of this, and the consequent advance in the cost of army shoes, the Government in June put a ceiling on the price of hides, somewhat under the prices prevailing at that time. In December, a ceiling was placed on the prices of all types of leather. This put a definite brake upon the upward price movement, and had a very stabilizing effect. Materials, however, are only

one factor in the cost of production, representing from 50% to 60% of the total; and the fixing of maximum leather prices does not guarantee that prices of finished goods will not advance further.

SIMPLIFICATION

Some months before the outbreak of war, the company began to simplify its merchandise lines, in anticipation of possible later difficulties in securing particular kinds of leather and other materials. Numerous changes were made in the types of leather used in different styles of shoes, so that the least possible difficulty would be experienced in maintaining total volume of shoes manufactured. The company has reduced the number of styles of men's shoes; and, while it will endeavor to maintain an adequate range of styles for the customer's selection, there will be a further reduction. Crepe rubber soled shoes have been eliminated entirely. Rubber heels are available only in black, these being made from reclaimed rubber. Other changes will be made either because of lack of materials or because of the reservation of certain types of leather for Army use.

MANPOWER

There were on March 1, 1942, 294 former members of the organization serving in the armed forces of the United States. Of this number, 240 have come from the stores and warehouse, and 54 from the factories, a total of 294 out of 6,653, or 4.4%. Most of the company's store managers are in deferred classes, largely because of age or family obligations, but many assistants and salesmen, in addition to those already inducted, are subject to call. The operating problem thus created is eased by the experience of the company's store managers—more than 80% of whom have been continuously employed by the company for more than five years, and nearly one-half of whom have been employed by the company for more than ten years—and by the ability of the company's supervisors to recruit and train new employees. 40% of the workers in the company's factories are women. Women may be employed to a greater extent in both factories and stores.

STORE AND WAREHOUSE IMPROVEMENTS

While there will be some curtailment of materials used in store repairs and improvements, the company's stores are in good operating condition at the present time. During the year 1941, 131 stores were remodelled, enlarged, or

otherwise improved. In 37 stores, air-conditioning was installed, bringing the number of air-conditioned stores to 183. In 1941, the company expended, and charged against operations, \$304,099 for maintenance and repairs, as compared with \$216,696 in 1940. \$778,914 was expended for capital improvements in 1941, against \$795,214 in 1940. Depreciation charged against operations amounted to \$562,903, as compared with \$541,536 in 1940.

Under the company's program for improving store facilities and store locations where possible, 27 stores were replaced by new stores in better locations in the same communities; 20 stores were opened in new communities; and 27 stores were closed. On December 31, 1941, there were 659 stores in operation, which compared with 666 on December 31, 1940. The 659 stores in operation at the year-end included 11 John Ward stores, 1 John Ward leased department, 10 Frank Tod stores, 619 Thom McAn stores and 18 Thom McAn leased departments.

In August, the company opened a subsidiary warehouse in Memphis, Tennessee, to provide its stores in the southwestern and southern sections of the country with more rapid replacements of shoes and to make it possible for these stores to do business more efficiently or on smaller inventories.

Stores of Melville Shoe Corporation

as at December 31, 1941

JOHN WARD—12 STORES

New York (5) Brooklyn (2) Bronx
Newark Philadelphia Washington
Detroit*

FRANK TOD—10 STORES

New York (4) Brooklyn Jersey City
Newark Lawrence Passaic
Hackensack

THOM McAN—637 STORES

(in 348 cities in 40 states, including the District of Columbia)

New England

CONNECTICUT (22) (165 stockholders)†

Bridgeport (2)
Bristol
Danbury
Derby
Hartford (3)
Meriden
Middletown
New Britain
New Haven (3)
New London
Norwich
South Manchester
South Norwalk
Stamford
Waterbury (2)
Willimantic*

MAINE (2) (22 stockholders)

Lewiston
Portland

MASSACHUSETTS (56) (523 stockholders)

Allston
Arlington
Attleboro
Beverly*
Boston (6)
Brockton
Cambridge
Chelsea
Dorchester (2)
East Boston
Everett
Fall River
Fitchburg
Framingham
Gloucester
Haverhill
Holyoke
Hyde Park

Lawrence (2)
Lowell
Lynn (2)
Malden
Marlboro*
Medford
Milford*
New Bedford (3)
Northampton*
Norwood
Pittsfield
Quincy
Roslindale
Roxbury
Salem
Somerville (2)
South Boston
Southbridge*
Springfield (2)
Wakefield
Waltham
Watertown
Webster*
Woburn
Worcester (2)

NEW HAMPSHIRE (4) (111 stockholders)

Concord
Manchester
Portsmouth
Rochester*

RHODE ISLAND (11) (53 stockholders)

Newport
Pawtucket (2)
Providence (5)
Westerly
West Warwick
Woonsocket

VERMONT (1) (12 stockholders)

Burlington

Middle Atlantic

NEW YORK (138) (1,115 stockholders)

Albany (3)
Amsterdam
Auburn
Bay Shore
Binghamton
Buffalo (6)
Elmira
Freeport
Glens Falls
Hempstead
Huntington
Jamestown
Kenmore
Kingston
Lockport*
Lynbrook
Mount Vernon
Newburgh
New Rochelle
New York:
Manhattan (32)
Bronx (14)
Brooklyn (32)
Queens (14)
Richmond (2)
Niagara Falls
Olean
Peekskill
Port Chester
Port Jefferson Station*
Poughkeepsie
Rochester (3)
Schenectady
Syracuse (2)
Troy
Utica (2)
Yonkers (2)
White Plains

NEW JERSEY (41) (359 stockholders)

Asbury Park
Atlantic City
Bayonne

Bloomfield
Camden (2)
Dover
Elizabeth (2)
Englewood
Hackensack
Harrison
Hoboken
Irvington
Jersey City (4)
Long Branch
Montclair
Morristown
Newark (7)
New Brunswick
Orange
Passaic
Paterson (2)
Plainfield
Red Bank
Rutherford
Somerville
Trenton
Union City
West New York
Wrightstown

PENNSYLVANIA (49)
(360 stockholders)

Allentown
Altoona
Beaver Falls
Braddock
Chester
Erie (2)
Easton
Greensburg
Harrisburg
Hazleton
Homestead
Johnstown
McKeesport
New Castle
New Kensington
Norristown
Philadelphia (18)
Pittsburgh (6)
Pottsville
Reading
Scranton
Shenandoah
Upper Darby
Wilkes-Barre
Wilkesburg
York

East North Central

ILLINOIS (39)
(206 stockholders)

Aurora
Bloomington

Champaign
Chicago (24)
Danville
Decatur
Elgin
Evanston
Joliet
Kankakee
Moline
Oak Park
Peoria
Quincy
Rock Island
Springfield

INDIANA (20)
(24 stockholders)

Anderson
Bloomington*
Elkhart
Evansville (2)
Fort Wayne (2)
Gary
Hammond
Indianapolis (3)
Jeffersonville*
Lafayette
Marion
Muncie
New Albany
Richmond
South Bend
Terre Haute

MICHIGAN (33)
(64 stockholders)

Ann Arbor
Battle Creek
Bay City
Dearborn
Detroit (16)
Flint
Grand Rapids
Hamtramck
Highland Park
Jackson
Kalamazoo
Lansing
Muskegon
Pontiac
Port Huron
River Rouge
Royal Oak
Saginaw

OHIO (44)
(191 stockholders)

Akron (2)
Alliance
Ashtabula*
Canton

Cincinnati (6)
Cleveland (12)
Columbus (3)
Dayton (3)
Hamilton
Lakewood
Lima
Lorain
Mansfield
Norwood
Portsmouth
Springfield
Steubenville
Toledo (3)
Warren
Youngstown (2)

WISCONSIN (10)
(51 stockholders)

Eau Claire
Kenosha
La Crosse
Madison
Milwaukee (4)
Oshkosh
West Allis

West North Central

IOWA (4)
(18 stockholders)

Davenport
Des Moines (2)
Dubuque

KANSAS (1)
(4 stockholders)

Wichita

MINNESOTA (6)
(42 stockholders)

Duluth
Minneapolis (4)
St. Paul

MISSOURI (18)
(51 stockholders)

Kansas City (4)
Maplewood
St. Joseph
St. Louis (12)

NEBRASKA (2)
(9 stockholders)

Lincoln
Omaha

South Atlantic

DELAWARE (2)

(8 stockholders)

Wilmington (2)

DISTRICT OF

COLUMBIA (6)

(35 stockholders)

Washington (6)

FLORIDA (10)

(61 stockholders)

Jacksonville (2)

Lakeland

Miami (2)

Pensacola

Orlando

Tampa

West Palm Beach

Ybor City

GEORGIA (7)

(15 stockholders)

Athens*

Atlanta (2)

Augusta

Columbus

Macon

Savannah

MARYLAND (12)

(76 stockholders)

Baltimore (10)

Cumberland

Hagerstown

NORTH CAROLINA (7)

(21 stockholders)

Asheville

Charlotte

Durham

Greensboro

Raleigh

Wilmington

Winston Salem

SOUTH CAROLINA (5)

(10 stockholders)

Charleston

Columbia

Florence*

Greenville

Spartanburg

VIRGINIA (8)

(42 stockholders)

Lynchburg

Newport News

Norfolk (2)

Portsmouth

Richmond (2)

Roanoke

WEST VIRGINIA (5)

(15 stockholders)

Charleston

Clarksburg

Huntington

Parkersburg

Wheeling

South Central

ALABAMA (5)

(7 stockholders)

Birmingham (2)

Ensley

Mobile

Montgomery

ARKANSAS (3)

(2 stockholders)

Fort Smith

Hot Springs

Little Rock

KENTUCKY (8)

(30 stockholders)

Ashland*

Covington

Lexington

Louisville (3)

Newport

Paducah

LOUISIANA (7)

(13 stockholders)

Baton Rouge

Monroe

New Orleans (4)

Shreveport

MISSISSIPPI (5)

(3 stockholders)

Biloxi*

Greenville

Jackson

Meridian

Vicksburg

OKLAHOMA (2)

(6 stockholders)

Oklahoma City

Tulsa

TENNESSEE (7)

(15 stockholders)

Chattanooga

Johnson City

Knoxville

Memphis (3)

Nashville

TEXAS (29)

(23 stockholders)

Abilene

Amarillo

Austin

Beaumont

Bryan*

Corpus Christi

Dallas (4)

El Paso

Fort Worth (2)

Galveston

Houston (4)

Laredo

Lubbock

McAllen

Port Arthur

San Angelo

San Antonio (3)

Tyler

Waco

Wichita Falls

Mountain

ARIZONA (2)

(7 stockholders)

Phoenix

Tucson

COLORADO (3)

(16 stockholders)

Denver (2)

Pueblo

NEW MEXICO (1)

(2 stockholders)

Albuquerque

UTAH (2)

(5 stockholders)

Ogden

Salt Lake City

*Indicates Leased Department.

†In italics are shown the number of individual holders of record of common stock in states where the company's stores are operated. Corporations' and brokers' holdings have been omitted. There are more stockholders in each state (except Arkansas, Mississippi and Texas) than stores. Many employees and customers are stockholders.



MELVILLE SHOE CORPORATION

EXECUTIVE OFFICES: 25 West 43rd Street, New York

ACCOUNTING AND GENERAL OFFICES AND WAREHOUSE:
44 Hammond Street, Worcester, Mass.

J. F. McELWAIN COMPANY

FACTORIES: Nashua (4) and Manchester (7), N. H.

GENERAL OFFICES: 103 Temple Street, Nashua, N. H.

BOSTON OFFICE: 140 Federal Street

